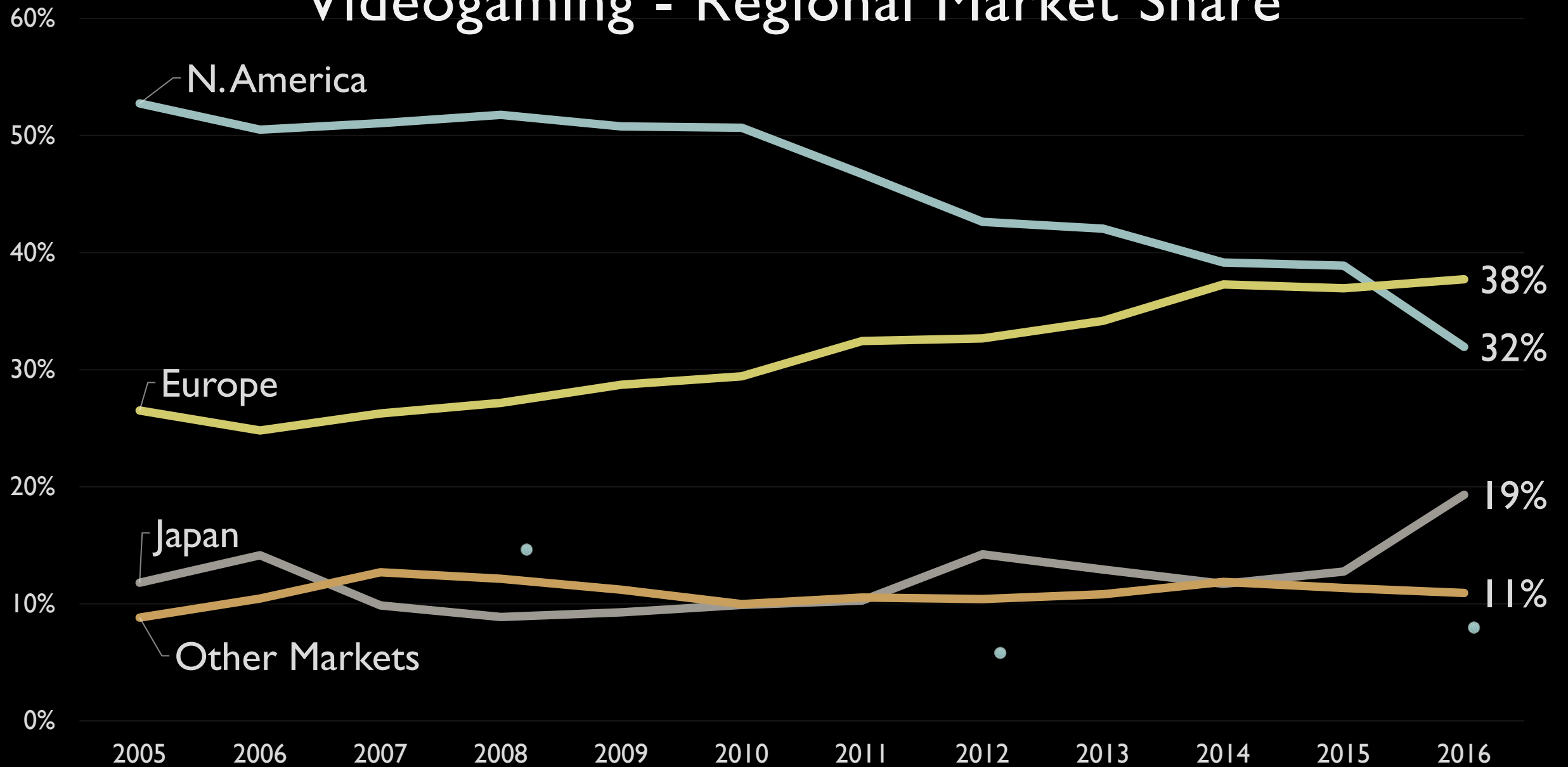


FOR THE PAST 12 YEARS, NORTH
AMERICA HAS BEEN BIGGEST
REGIONAL MARKET FOR VIDEOGAMES.

NOT ANY MORE.
WHAT IS CHANGING?

Videogaming - Regional Market Share

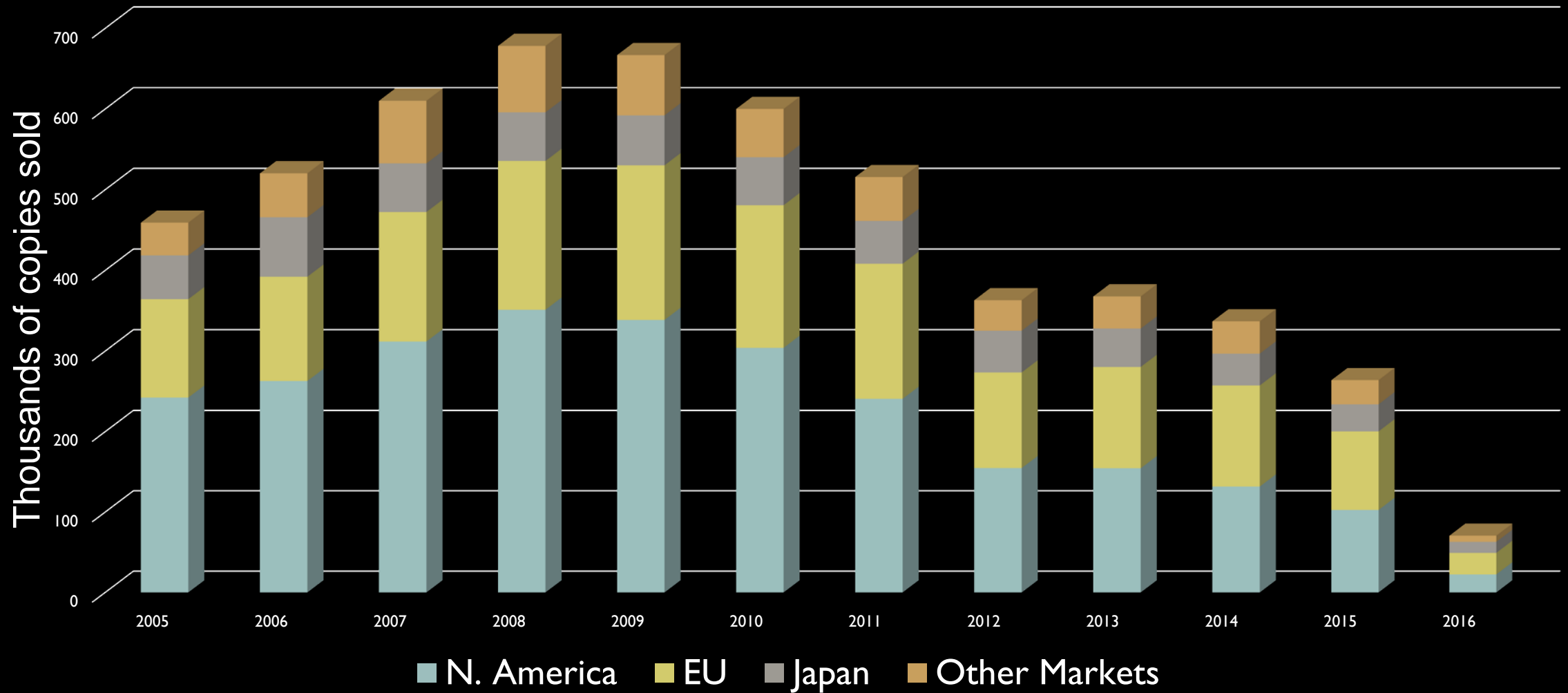


- The EU is set to overcame North America as the biggest regional market for videogames.
- On average, EU's market share has increased 3,5% between 2006 and 2015.
- Meanwhile, North America market share decreased at an average of 2,9%.
- This change challenges an industry-wide assumption of North America as the centre of the gaming industry and the market where publishers make the lion share of their sales.
- What are the drivers pushing such a fundamental change? What foreseeable impacts for the gaming industry? How should GameCo position itself in this new market configuration?

What is the context:

- The quantity of games sold worldwide is declining since 2008.
- In 2015, global sales were less 61% lower than in 2008!
- The decrease in sales affects all regions, but some more than others.
- N.America decreased by 71%, while Europe and Japan only decreased by 47% and 44% respectively.

Historical Evolution of Sales



Recommendations:

- Maintain or increase EU's marketing budget.
- Increase marketing budget in North America. Although continuing decline is likely, it is still a huge market in absolute value. Increasing marketing budget will give GameCo an edge over its direct competitors.
- Increase marketing budget in Japan. This region recorded the highest growth rate in 2016 – a spectacular 51%. The current momentum might mean the reversal of a long period of stagnation. Increasing GameCo's marketing budget will increase exposure to the market.